

MONARCH/BEST VALUE E.D.L.P. CONTRACT GUIDELINES

- Primary focus should be on smaller chains, and large volume independents where a Private Label does not make sense, and a Forsyth/Peer Private Label is not available from their distributor. If a Private Label is available from their wholesaler, your first priority should be to utilize their brand as the E.D.L.P.
 - Must ensure that we do not disrupt market pricing (drive retail price point below current E.D.L.P. prices in the market).
 - Accounts must be a Level II or III Merchandising partner, no exceptions.
 - Rate of payment per carton authorized ranges from \$1.50 to \$2.60 per carton and should be based on competitive activity/situation with the account. Payment will be made Quarterly by the Manager/Rep. responsible for the account via T.P.S., based on A.I.M. data.
 - If account already has good volume/share on Doral and does not currently "play" in the lowest price category, Doral should remain your #1 priority. An E.D.L.P. agreement may not always be in RJR's best interest.
 - Prior to making chain presentations, the following information should be submitted to me for AVP approval:
 - Chain name
 - # of Retail Outlets
 - Wholesale supplier & Private Labels carried (RJR & Competitive)
 - Proposed payment rate per carton
 - Which brand to be featured (Monarch or Best Value)
 - Advantage gained by RJR thru the use of the E.D.L.P. Agreement
 - After presentation and acceptance by the chain/retailer, a copy of the signed E.D.L.P. agreement should be sent to me, and I will provide a copy to Jim Farmer in the Savings Business Unit.
 - A copy of the E.D.L.P. Retail Pricing Agreement is attached for your use.

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